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RUEKJCS/SECDEF WASHDC PRIORITY
RUEAHQA/HQ USAF WASHINGTON DC PRIORITY
RUEADWD/DA WASHDC PRIORITY
RHMFIUU/CNO WASHINGTON DC PRIORITY
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RUEHAS/AMEMBASSY ALGIERS PRIORITY 0836
RUEHAM/AMEMBASSY AMMAN PRIORITY 4550
RUEHAK/AMEMBASSY ANKARA PRIORITY 5007
RUEHLB/AMEMBASSY BEIRUT PRIORITY 4221
RUEHEG/AMEMBASSY CAIRO PRIORITY 2549
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 4979
RUEHLO/AMEMBASSY LONDON PRIORITY 1835
RUEHFR/AMEMBASSY PARIS PRIORITY 0047
RUEHRB/AMEMBASSY RABAT PRIORITY 8832
RUEHRO/AMEMBASSY ROME PRIORITY 6312
RUEHRH/AMEMBASSY RIYADH PRIORITY 1229
RUEHTU/AMEMBASSY TUNIS PRIORITY 5334
RUCNDT/USMISSION USUN NEW YORK PRIORITY 7292
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0212
RHMFSS/CDR USCENTCOM MACDILL AFB FL PRIORITY
RHMFSS/COMSOCEUR VAIHINGEN GE PRIORITY
RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 001696

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XOX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

SIPDIS
E.O. 12958: N/A
TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

All media reported that IDF Chief of Staff Lt. Gen. Gabi Ashkenazi told a group of new armored and engineering corps recruits at the army's induction center yesterday that Israel is "making every effort at all levels to return Gilad Shalit. We know he is alive, and we know where he is being held and by whom, and I hope we will bring about an end to this affair." Maariv noted that Israel has a

detailed list of men involved in the abduction. The media wondered if Ashkenazi's remark might jeopardize an IDF operation in Gaza. Israel Radio quoted Defense Minister Ehud Barak as saying that those who long for a military operation in Gaza will be satisfied -- it will come. The radio cited the Saudi newspaper Al-Watan as saying that the PA is demanding the release of high-profile prisoners such as Marwan Barghouti and PFLP leader Ahmad Saadat, unconnected with Shalit's release.

Israel Radio and the leading news web site Ynet reported that the U.S. has cancelled the entry visas of four Palestinians who had won stipends to study in the U.S., apparently on security grounds, even though Secretary of State Condoleezza Rice personally interceded on their behalf. According to Israel Radio, at first Israel refused to allow these students and three others to leave the Gaza Strip for interviews at the U.S. Consulate-General in Jerusalem. However in response to Rice's pressure a few of them were allowed to go to Jerusalem, and American diplomats went to the Gaza Strip to interview the others. Two months ago the four students received their entry visas to the U.S. But in the past few days the State Department in Washington intimated that a decision had been made to reject the visas, because new information on their cases had been received. A senior official involved in the affair was quoted as saying that the information was concerned with security, and was connected with Israel's refusal to allow them to leave Gaza.

Ha'aretz quoted senior GOI officials as saying yesterday in Jerusalem that the question of whether the U.S. will open an interests section in Tehran will be decided by President Bush himself in the coming month. The newspaper quoted a GOI source in Jerusalem as saying: "Israel is surprised at the need to open an interests section and about the timing of the American move." The newspaper quoted another GOI source, who is close to the Iranian question, as saying: "We don't really know what the Americans are planning. We receive reassuring messages from the Americans, but on the other hand questions arise in light of the intention to open an interests section."

Israel Radio quoted senior Palestinian negotiator Saeb Erekat as saying that PM Ehud Olmert and PA President Mahmoud Abbas will meet tomorrow in Olmert's Jerusalem residence.

Major media reported that yesterday the High Court of Justice left open the possibility that Attorney General Menachem Mazuz might be able to declare PM Olmert incapable of fulfilling his duties should the PM obstruct the criminal investigations against him.

The media reported that yesterday Kadima Knesset members decided that FM Tzipi Livni will not be required to declare her loyalty to Kadima if she loses in the party primaries.

Leading media quoted Col. (res.) Ilan Katz, the lawyer of the soldier suspected of firing a rubber bullet at a handcuffed Palestinian in the northern West Bank village of Na'alim, as saying yesterday: "If only the soldier is indicted and not his battalion commander, we will petition the High Court of Justice.

Ha'aretz quoted an Israeli defense source as saying that Israel has offered to help Egypt build a technologically advanced wall along the Gaza border.

The Jerusalem Post reported that the Ministry of Defense backed down from submitting a \$400 million bid to develop and manufacture a new tank for the Turkish Armed Forces due to concerns that competing with American-backed defense industries would endanger Israel-U.S. relations.

The Jerusalem Post quoted Brig. Gen Yoav Mordechai, head of the Civil Administration as saying yesterday that Israel does not fear a major terror escalation with the transfer of the Hilles clan from Gaza to Jericho. Talking to Israel Radio, Fatah leader Hussein Al-Sheikh thanked Israel in the name of Mahmoud Abbas and Palestinian PM Salam Fayyad for letting the men out of Gaza. However, the radio noted that Al-Sheikh was critical of Israel in the Arab media.

Ha'aretz reported that the Homesh First Movement is expected to announce today that settlement groups are planning to return to settlements in Gush Katif evacuated during the August 2005

disengagement from Gaza. Boaz Haetzni, one of the leaders of the movement, explained to Ha'aretz that the core settlement groups hope to return the minute it is acceptable from a security standpoint (i.e. when the IDF enters Gaza).

Ha'aretz quoted Sky News-TV as saying that contrary to various speculations, Israel denied any involvement in the assassination of Brig. Gen. Mohammed Suleiman, Syrian President Bashar Assad's right hand man. Israel Radio quoted the London-based Ash-Sharq Al-Awsat as saying that Syrian authorities have arrested several suspects in the affair.

Ha'aretz's web site reported that the Pentagon has admitted in an internal report that it wrongly accused an army engineer from Michigan of spying for Israel because he was a Jew. David Tenenbaum of Southfield is an Orthodox Jew and fluent in Hebrew. The Defense Department put him on paid leave in 1997 while it and the FBI investigated his ties to Israel.

Leading media quoted former Soviet dissident and former Israeli cabinet minister Natan Sharansky as saying Monday that accusations of anti-Semitism ought not overshadow the fact that Alexander Solzhenitsyn, who passed away on Sunday, had "changed the lives of millions of people."

Leading media reported that the last immigrants from Ethiopia (Falash Mura -- Ethiopians whose Jewish ancestors converted to Christianity) will land today in Israel. Altogether 120,000 Ethiopian Jews have immigrated to the country.

The media reported that the Environmental Protection Ministry warned in a special report released yesterday that Israel is unprepared for the coming climate crisis, and could fail to meet the country's water needs. Maariv reported that yesterday the "social cabinet" approved a proposal that was put forward jointly by the Industry, Trade and Labor Ministry, the Finance Ministry, the Environmental Protection Ministry, and the National Infrastructure Ministry regarding the research and development of technologies for producing electricity with renewable energies (solar, wind and so forth). The program set as its goal an overall investment of at least 350 million shekels (almost \$100 million) over the years.

Mideast:

Summary:

Conservative Op-Ed Page Editor Ben-Dror Yemini wrote in the popular, pluralist Maariv: "This murderous regime [Hamas] is becoming the darling of the 'forces of progress.'"

The conservative, independent Jerusalem Post editorialized: "Now that Lebanon stands poised to adopt Hizbullah's anti-Israel crusade as national policy, it would be ludicrous to treat Lebanese airspace as sacrosanct."

Block Quotes:

II. "The Hate Ship"

Conservative Op-Ed Page Editor Ben-Dror Yemini wrote in the popular, pluralist Maariv (8/5): "The Hamas regime in Gaza decided over the weekend to show the world what it knows how to do. Not that we did not know, but the timing was astonishing. During their seizure of the Gaza Strip they forced their prisoners to lie down and massacred them. If someone raised his head they shot him again to make sure he was dead. The leading television channels in the world did not screen these pictures. It is interesting to speculate why.... This murderous regime is becoming the darling of the 'forces of progress'.... The alliance between the forces of progress with mass murderers has now found another expression. They will not support the Palestinian side which is perceived as supporting reconciliation and agreement. They are with Hamas. They are partners on the ship of hatred which is due to set out today from Nicosia in Cyprus for

the Hamas kingdom in Gaza.... If we were talking about the tiniest extremist fringe, it might not matter so much. But at a certain stage it was reported on a Palestinian website that the Jimmy Carter Center supports the ship that supports the murderous regime."

II. "Lebanon Tipping-Point?"

The conservative, independent Jerusalem Post editorialized (8/5): "Israel is sounding the alarm: The fragile balance of force in Lebanon is unraveling. And the world is playing deaf. The Israeli-Lebanese relationship is reaching another critical turning-point; and not just over how Lebanon and Hizbulah are melding into a single new entity, with Beirut set to formally confer upon Hizbulah the right to 'liberate or recover occupied lands' -- meaning any territory it defines as 'occupied,' whether Mount Dov (the Sheba Farms) or Galilee. Lebanon is metamorphosing from hapless bystander to willing Hizbulah enabler, a transformation certain to have devastating consequences. The even more immediate crisis is that unless Hizbulah's runaway arms-struggling is checked, the Islamists may soon possess weapons that could force Israel into preemptive military action to protect this country's deterrence.... While Resolution 1701 demanded the 'disarmament of all armed groups in Lebanon,' Hizbulah has never been better armed.

While it called on Lebanon to support the cease-fire, Beirut now explicitly threatens. And while it demanded that 'no sales or supply of arms and related material' reach Lebanon -- Syria, Iran (and, less brazenly, Russia) are systematically flouting 1701.... Now that Lebanon stands poised to adopt Hizbulah's anti-Israel crusade as national policy, it would be ludicrous to treat Lebanese airspace as sacrosanct.... Responsible actors in the international community need to take Israel's warnings with the utmost seriousness and act to close the spigot spewing weapons into Lebanon."

MORENO